

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CCO-00 CIAE-00 OTPE-00
FCC-01 INR-07 NSAE-00 OC-06 USIA-06 COME-00
BIB-01 USPS-01 DOE-11 ACDA-12 DODE-00 PM-05 L-03
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R 201542Z JAN 78
FM AMEMBASSY LONDON
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INFO AMEMBASSY PARIS

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PARIS FOR NASA REP PAT MURPHY

E.O. 11652: N/A
TAGS: ETEL, UK
SUBJECT: INTELSAT CONSIDERATION OF SHUTTLE AND ARIANE
LAUNCH VEHICLES: UK POST OFFICE RESPONSE TO
US POINTS

REF: STATE 6031

1. EMBASSY OFFICER MET JAN. 17 WITH UK GOVERNOR ON
INTELSAT BOARD, WILLIAM GEDDES AND HIS DEPUTIES MESSRS.
PRICE AND HAWKINS, EXTERNAL TELECOMMUNICATIONS EXECUTIVE,
UK POST OFFICE. THEY WERE GIVEN A PAPER CONTAINING
PARAS 5 AND 6 OF REFTEL LESS FYI SECTIONS. GEDDES GAVE
EMBASSY OFFICER AN EXTENSIVE AND SEEMINGLY EVEN-HANDED
ANALYSIS OF BOTH SHUTTLE AND ARIANE OPTIONS. HE STRESSE
THAT DECISION BEFORE THE INTELSAT BOARD AT FEBRUARY
MEETING WAS A MATTER OF EVALUATING RISKS AND TIMING OF
PROGRAMS OF BOTH SHUTTLE AND ARIANE. THE LONGER THE
DELAY IN MAKING THE DECISION THE BETTER FOR INTELSAT,
IN GEDDES' VIEW. HE WELCOMES THE COMPETITION GIVEN TO
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NASA BY THE ARIANE OFFER. INTELSAT, HE BELIEVES, HAS
GOOD INFORMATION ON THE RISKS AND CONTINGENCIES INVOLVED
WITH THE SHUTTLE. HE FREQUENTLY REFERRED TO THE REPORT
OF THE US COMPTROLLER GENERAL ON THE SHUTTLE DATED
MAY 27, 1977 (PSAD-77-113). HE ALSO NOTED THAT WITH THE
CONGRESS HAVING CUT NASA'S FUNDS FOR THE SHUTTLE, NASA
WOULD BE FORCED TO TAKE SHORTCUTS AND TELESCOPE CERTAIN

WORK AND THAT SINCE NASA WOULD BE EXTREMELY RELUCTANT TO TAKE ANY RISKS INVOLVING PEOPLE, THERE SEEMED TO BE A FAIR LIKELIHOOD THAT THE SHUTTLE PROGRAM MIGHT FALL BEHIND ITS PRESENT TIME SCHEDULE. AS FOR ARIANE, THE INTELSAT BOARD WOULD HAVE A STUDY CARRIED OUT EXPEDIOUSLY ON ITS SITUATION TO ASSIST THE BOARD IN MAKING A DECISION.

2. HE MADE THE POINT THAT AT ONE TIME IN THE PAST ON A MAJOR MATTER INTELSAT HAD NOT GOTTEN A "SQUARE DEAL" FROM NASA. AT THE OCTOBER MEETING NASA HAD "SPRUNG UPON" THE INTELSAT BOARD A DEMAND FOR AN IMMEDIATE DECISION ON PURCHASE OF THE INTERIM UPPER STAGE SSUS-A LAUNCH PLATFORM TO BE USED IN CONJUNCTION WITH THE SHUTTLE TO PUT THE FIFTH, SIXTH AND SEVENTH INTELSAT V SATELLITES INTO FINAL ORBIT. THE SWEETENER WITH THAT DEMAND HAD BEEN AN OFFER OF A FREE TRIAL OF THE SSUS-A BEFORE THE ACTUAL LAUNCH OF A SATELLITE. THE BOARD HAD HAD NO OPPORTUNITY TO STUDY DETAILS OF THE MATTER AND CHOSE NOT TO MAKE THE DECISION, ALTHOUGH MR. GEDDES AS THE UK GOVERNOR SAYS THAT HE DID VOTE IN FAVOR OF A FAVORABLE DECISION FOR NASA IN OCTOBER. IN ITS DECEMBER MEETING THE BOARD DID VOTE TO BUY THE SSUS-A AT A COST OF 4.7 MILLION DOLLARS, BUT NASA WITHDREW THE SWEETENER. NASA APPARENTLY NOW INTENDS TO TRY OUT THE SSUS-D VEHICLE, BEING PRODUCED TO PLACE THE LIGHTER GOES SATELLITE IN FINAL ORBIT. AS A CONSEQUENCE, GEDDES CAN LIMITED OFFICIAL USE

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ONLY WELCOME THE COMPETITION GIVEN TO NASA BY THE ARIANE

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AND ITS BARGAIN PRICE.

3. ON THE OTHER HAND, GEDDES IS VERY COGNIZANT OF THE POTENTIAL PROBLEMS OF ARIANE AS WELL AS THOSE OF THE SHUTTLE. HE STATES THAT THE UK POST OFFICE, AS THE SECOND LARGEST USER OF INTELSAT SERVICES, IS INTERESTED IN THE BEST COMMERCIAL CHOICE AND THE UK GOVERNMENT HAS NOT BROUGHT ANY POLITICAL CONSIDERATIONS TO BEAR ON THIS DECISION, AT LEAST TO DATE. THE QUESTION BEFORE THE BOARD IS WHETHER THE ADDITIONAL INSURANCE OF MEETING INTELSAT'S TIME SCHEDULES FROM MAKING THE SERIES V SATELLITES COMPATIBLE WITH ARIANE AS WELL AS WITH THE ATLAS-CENTAUR AND THE SHUTTLE WOULD BE WORTH THE ADDITIONAL INVESTMENT OF APPROXIMATELY 5 MILLION DOLLARS.

4. MR. GEDDES HAS CONSIDERABLE CONFIDENCE IN NASA'S ABILITIES, BUT HE ALSO BELIEVES THAT THE SHUTTLE IS A VERY MUCH GREATER LEAP INTO NEW TECHNOLOGY THAN EVEN KNOWLEDGEABLE PEOPLE REALIZE. CONSEQUENTLY, THERE IS A STRONG PRESUMPTION THAT THE SHUTTLE MAY BE LATE AND INTELSAT'S LEEWAY IN HAVING SATELLITES 5, 6, AND 7 UP IS NOT VERY GREAT. THE JUNE-JULY 1979 TARGET DATE MIGHT

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BE MOVED TO BEGINNING OF 1980, BUT ANY LATER WOULD BE CRITICAL BECAUSE INTELSAT IS NOT ONLY FACING THE ANTICIPATED CAPACITY NEEDS IN THE ATLANTIC, BUT ALSO HAS NEW CAPACITY DEMANDS FOR THE INDIAN OCEAN SATELLITES BECAUSE OF THE PHENOMENAL GROWTH OF TRAFFIC IN THE MIDDLE EAST AND TO ASIA. THUS TWO SATELLITES WILL HAVE TO GO UP FAIRLY QUICKLY OVER THE INDIAN OCEAN AS WELL AS OVER THE ATLANTIC.

5. EMBASSY HAS NOT DETAILED TECHNICAL CONSIDERATIONS GEDDES MENTIONED WITH REGARD TO SHUTTLE OR ADVANTAGES OF EQUATOR ARIANE LAUNCH OVER CAPE KENNEDY LAUNCH SUCH AS CRITICAL APOGEE MOTOR PROBLEM SINCE NASA UNDOUBTEDLY AWARE OF ISSUES. GEDDES DID NOT INDICATE ANY DESIRE TO PURSUE ANY POINTS IN PARAS 5 AND 6 OF REFTTEL WITH NASA TECHNICAL PERSONNEL. EMBASSY OFFICER IMPRESSED THAT HE REMAINS FAVORABLY DISPOSED TO NASA ARGUMENTS DESPITE HIS COMMENTS.

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